

Message Text

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ORIGIN ACDA-12

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DRAFTED BY ACDA/NP:CVANDOREN:MN
APPROVED BY T/D:JNYE
S/AS:AMB. SMITH
OES/NET:RDEMING
PM/NPP:GOPLINGER
EA/J:SECTON
DOE:DSHILLER

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FM SECSTATE WASHDC
TO AMEMBASSY TOKYO IMMEDIATE

C O N F I D E N T I A L STATE 300299

E.O. 11652: GDS

TAGS:PARM, JA

SUBJECT: US POLICY ON TRANSFERS FOR REPROCESSING

1. IN KEEPING WITH OUR EFFORTS TO PROMOTE REEVALUATION OF REPROCESSING PLANS, WE WILL NOT TAKE ANY ACTION--AT LEAST PENDING THE RESULTS OF INFCE--TO ENCOURAGE THE CONSTRUCTION OF ADDITIONAL REPROCESSING PLANTS IN EUROPE, JAPAN, THE US, OR ELSEWHERE.

2. ACCORDINGLY, AS REPORTED IN PARIS 19861 (7 JULY 1977), AMBASSADOR SMITH ADVISED THE FRENCH THAT WE PLANNED TO APPROVE MB-10S FOR LA HAGUE WHICH MIGHT BE PRESENTED DURING INFCE INVOLVING REPROCESSING IN UP-2 (THE INITIAL CONFIDENTIAL

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FACILITY AT LA HAGUE--400 TONNES BUILT AND 400 TONNES UNDER CONSTRUCTION). THIS ASSURANCE DID NOT EXTEND TO REPROCESSING IN UP-3 (THE NEW PLANT THAT THE FRENCH HOPE TO COMPLETE IN 1987 WITH JAPANESE INVESTMENT), OR TO SUPPORT NEW LONG TERM REPROCESSING COMMITMENTS. HE ADDED THAT THIS DID NOT MEAN WE HAD DECIDED TO DENY MB-10S FOR THE LATTER PURPOSES, BUT SIMPLY THAT WE WERE NOT PREPARED TO GIVE ANY ASSURANCE WITH RESPECT THERETO AT THIS TIME. IT IS OUR UNDERSTANDING THAT ACTUAL SHIPMENTS OF JAPANESE SPENT FUEL FOR UP-3 WILL NOT TAKE PLACE UNTIL AFTER 1980, AND THE JAPANESE HAVE

AVOIDED PRESSING FOR AN ADVANCE MB-10 COMMITMENT. THEY APPEAR WILLING TO ABIDE THE EVENT, WITH THE HOPE THAT BY CONFORMING WITH ANY INTERNATIONAL ARRANGEMENTS OR OTHER PERTINENT INFCE RECOMMENDATIONS, THEY WILL BE ABLE TO GET OUR CONSENT. WE OBVIOUSLY WOULD PREFER THAT THIS STATE OF AFFAIRS CONTINUE, AND DO NOT WISH TO STIMULATE JAPANESE REQUESTS FOR ASSURANCES WITH RESPECT TO FUTURE MB-10 REQUESTS. BUT WE BELIEVE IT ESSENTIAL THAT NONE OF THE PARTIES TO POTENTIAL REPROCESSING AGREEMENTS INVOLVING SIGNIFICANT INVESTMENTS IN NEW FACILITIES PROCEED ON THE ASSUMPTION THAT US APPROVAL WOULD BE FORTHCOMING AS A MATTER OF COURSE.

3. THE BRITISH ANALOGUE TO UP-3 IS THE NEW REPROCESSING PLANT THAT THEY PLAN (SUBJECT TO DECISIONS RESULTING FROM THE RECENT PUBLIC HEARINGS) TO CONSTRUCT AT THE WINDSCALE SITE AND COMPLETE BY 1987. A UK PARLIAMENTARIAN HAS CALLED OUR ATTENTION TO A MISAPPREHENSION THAT APPEARS TO HAVE ARISEN AT THAT HEARING THAT WE ARE INDIFFERENT AS TO THE OUTCOME OF THAT DECISION. IN ORDER TO SET THE RECORD STRAIGHT, WE HAVE DECIDED TO ADVISE THE BRITISH ALONG THE LINES SET FORTH IN PARAGRAPH 6 BELOW. THIS BASICALLY TAKES THE SAME POSITION WITH RESPECT TO THE NEW FACILITY
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AT WINDSCALE THAT WE TOOK WITH THE FRENCH ON UP-3.

4. ON NOVEMBER 29, MR. NOSENZO MET WITH MESSRS. NAGARA AND SUZUKI, OF THE JAPANESE EMBASSY AND TOLD THEM THAT WE HAD RECENTLY READ OF THE SIGNING OF A LONG-TERM CONTRACT BY JAPANESE UTILITIES WITH COGEMA FOR THE TRANSFER OF 1,600 TONNES OF SPENT FUEL FOR EVENTUAL REPROCESSING AT UP-3. HE SAID THAT THEY SHOULD BE AWARE OF US MB-10 POLICY. APPROVAL OF MB-10 REQUESTS CONCERNING RETRANSFER FOR REPROCESSING WOULD BE TREATED ON A CASE-BY-CASE BASIS AND APPROVED ONLY WHEN THERE WAS CLEAR NEED. HE POINTED OUT THAT ON THIS SCORE THE JAPANESE UTILITIES WERE PROCEEDING AT THEIR OWN RISK AND COULD NOT AFFECT ANY US DECISION ON ANY MB-10 APPLICATION. NAGARA ASKED IF THIS HAD BEEN CLEARED WITH THE WHITE HOUSE. NOSENZO RESPONDED THAT IT WAS PRESIDENTIAL POLICY AND THAT THE US IS APPLYING IT TO ALL MB-10 REQUESTS. NOSENZO'S SPECIFIC COMMENT ON THE IMPLICATION OF THE POLICY FOR THE JAPANESE/ COGEMA CONTRACT WAS A FORMAL COMMUNICATION AND HAD BEEN CLEARED WITHIN THE DEPARTMENT.

5. OUR MAIN CONCERN ABOUT THE LETTER REPLYING TO THE UK PARLIAMENTARIAN IS THAT IT MAY BE TAKEN AMISS BY THE JAPANESE, IF THEY HAVE THE SAME MISUNDERSTANDING AS THE BRITISH, AND LEAD TO DEMANDS FOR ASSURANCE IN ADVANCE THAT WE WILL GRANT MB-10S FOR SHIPMENTS THAT MAY BE MADE UNDER THE LONG-TERM CONTRACT THEY HAVE SIGNED WITH COGEMA, AND

UNDER THE ONE THEY CONTEMPLATE SIGNING IN MARCH WITH BNFL.

AT THE SAME TIME IT IS IMPORTANT TO AVOID BRITISH OR JAPANESE MISUNDERSTANDING OF OUR POSITION. WOULD APPRECIATE EMBASSY RECOMMENDATIONS ON HOW BEST TO HANDLE THIS MATTER WITH THE JAPANESE.

6. LETTER TO UK PARLIAMENTARIAN IS AS FOLLOWS:

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THANK YOU FOR CALLING MY ATTENTION TO THE WINDSCALE HEARINGS AND THE MISUNDERSTANDING OF THE RELEVANT US POLICY. LET ME TRY TO SET THE RECORD STRAIGHT. OUR VIEW THAT IT IS NOT WISE TO BUILD MORE SOLVENT EXTRACTION REPROCESSING PLANTS AT THIS TIME HAS NOT CHANGED SINCE WE DISCUSSED THE QUESTION DURING CONSULTATIONS LAST APRIL. THE VIEW YOU ASCRIBE TO BNFL DRAWS AN UNWARRANTED CONCLUSION FROM ACCOMMODATIONS THAT WE HAVE MADE TO AVOID DISRUPTION OF EXISTING NUCLEAR POWER PROGRAMS.

ON THE BROAD QUESTION OF WHETHER TO BUILD A NEW 1200 MT/PER YEAR REPROCESSING FACILITY AT WINDSCALE, WE OF COURSE RECOGNIZE THAT THIS IS A MATTER FOR YOUR OWN GOVERNMENT TO DECIDE. AS YOU KNOW, PRESIDENT CARTER HAS DECIDED TO INDEFINITELY DEFER COMMERCIAL REPROCESSING IN THE UNITED STATES. THIS DECISION WAS BASED NOT ONLY ON THE PARAMOUNT NEED TO SEEK WAYS OF REDUCING THE ASSOCIATED PROLIFERATION RISKS, BUT ALSO ON THE CONCLUSION THAT REPROCESSING WAS NOT URGENTLY NEEDED IN THE NEAR TERM AND WAS NOT ESSENTIAL TO--AND COULD IN FACT EXACERBATE--THE PROBLEMS OF WASTE DISPOSAL.

WHILE THE PREVIOUS ADMINISTRATION DID DISCUSS IN THE LONDON GROUP THE POTENTIAL NON-PROLIFERATION ADVANTAGES OF REPROCESSING SERVICES BEING SUPPLIED BY A FEW SUPPLIER STATES, THIS SOLUTION ENTAILS THREE MAJOR DIFFICULTIES:

(1) IF SUCH SERVICES INVOLVE A REQUIREMENT TO RETURN THE SEPARATED PLUTONIUM DIRECTLY TO THE CUSTOMERS, THE PROLIFERATION GAIN IS ILLUSORY. THE PLUTONIUM WILL BE MOVING IN INTERNATIONAL COMMERCE, AND THE CUSTOMER WILL BE GETTING IT WITHOUT GOING TO THE TROUBLE, DELAY AND EXPENSE OF DEVELOPING ITS OWN REPROCESSING CAPABILITY.

(2) DENIAL OF THE PLUTONIUM TO THE CUSTOMER, ON THE OTHER

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HAND, MAY MAKE THE CUSTOMER UNWILLING TO ENTER THE DEAL, ADD TO THE COMPLAINTS THAT INDUSTRIALIZED STATES ARE TRYING TO DENY TO DEVELOPING COUNTRIES FUELS AND

TECHNOLOGY, AND IN THE CASE OF NUCLEAR-WEAPON STATES, THAT THEY ARE NOW TRYING TO EXTEND THE DISCRIMINATORY FEATURES OF THE NPT TO THE CIVIL NUCLEAR FIELD, AND THUS INCREASE THE LIKELIHOOD THAT THE CUSTOMER WILL BUILD ITS OWN REPROCESSING FACILITY. (3) THE "COMPROMISE" OF RETURNING THE PLUTONIUM ONLY IN THE FORM OF FABRICATED FUEL ELEMENTS SEEMS UNLIKELY TO BE ACCEPTABLE TO OTHER INDUSTRIALIZED COUNTRIES, WHICH HAVE THEIR OWN FABRICATION CAPABILITY DESIGNED TO MEET THEIR NUCLEAR REACTOR FUEL NEEDS. AND FOR THRESHHOLD COUNTRIES, IT DOES NOT PRESENT MUCH OF AN OBSTACLE TO OBTAINING THE PLUTONIUM.

ACCORDINGLY, THE UNITED STATES IS NOT PREPARED AT THIS TIME TO ENCOURAGE WEAPONS STATES TO DECIDE IN FAVOR OF PROCEEDING WITH NEW REPROCESSING PLANTS. THUS, WHILE WE WILL CONTINUE TO CONSIDER MB-10 REQUESTS ON A CASE-BY-CASE BASIS, AND GRANT THEM IN CASES WHERE THERE IS A DEMONSTRATED NEED, SUCH AS INADEQUATE SPENT FUEL STORAGE CAPACITY, WE CANNOT GIVE ANY ASSURANCE THAT BNFL MAY COUNT ON MB-10S AS A MATTER OF COURSE FOR FEED FOR A NEW PLANT OR IN SUPPORT OF LONG-TERM REPROCESSING COMMITMENTS THAT IT MAY ENTER INTO. THIS STANCE--WHICH IS THE SAME AS THAT WHICH WE ARE TAKING WITH RESPECT TO COGEMA'S PROPOSED UP-3 PLANT--IS DICTATED NOT ONLY BY THE POLICY CONSIDERATIONS NOTED ABOVE, BUT ALSO BY THE IMPENDING US LEGISLATION THAT WOULD TIGHTEN THE STANDARDS FOR GRANTING MB-10S AND CONSENTS TO RETRANSFER OF PRODUCED PLUTONIUM.

FINALLY, AS WE HAVE NOTED IN EACH OF THE MB-10 REQUESTS INVOLVING TRANSFERS FOR REPROCESSING THAT WE HAVE GRANTED IN THE PAST TWO YEARS, THE GRANTING OF SUCH REQUESTS WOULD BE SUBJECT TO OUR RIGHT OF CONSENT OVER THE CONFIDENTIAL

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DISPOSITION OF THE NUCLEAR MATERIALS RESULTING FROM SUCH REPROCESSING. THE ENCLOSED EXCERPT FROM THE WINDSCALE HEARINGS INCORRECTLY CONCLUDES THAT WE ARE PREPARED TO CONSENT NOW TO RETRANSFERS OF SUCH PRODUCTS AFTER REPROCESSING WHICH WILL NOT TAKE PLACE FOR AT LEAST 13 YEARS. THE ENCLOSED DOE LETTER FROM WHICH THIS CONCLUSION WAS DRAWN STATED THAT "IN ACCORDANCE WITH APPLICABLE AGREEMENTS FOR COOPERATION, SUCH TRANSFERS WOULD, AT THAT TIME, HAVE TO BE APPROVED BY THE GOVERNMENT OF THE UNITED STATES."

HOPING THAT THIS CLARIFICATION OF OUR POLICY WILL PROVE HELPFUL IN AVOIDING FUTURE MISUNDERSTANDINGS, I AM (ETC.)

7. THE EXCERPT FROM THE WINDSCALE HEARINGS REFERRED TO IN THE FOREGOING LETTER INDICATED THAT THE BRITISH HAD THE IMPRESSION THAT THE CARTER ADMINISTRATION HAD NO MISGIVINGS ABOUT REPROCESSING THAT TOOK PLACE IN A NUCLEAR

WEAPON STATE. IT ALSO MISCONSTRUED A LETTER FROM DOE IN CONNECTION WITH AN MB-10 FOR A TRANSFER OF FUEL FROM JAPAN TO BNFL FOR REPROCESSING, INTERPRETING IT AS EXPRESSING OUR AGREEMENT NOW TO THE RETRANSFER OF THE PLUTONIUM TO JAPAN AFTER REPROCESSING. (THE LETTER IN FACT POINTED OUT THAT OUR CONSENT WOULD BE REQUIRED AT THE TIME OF RETRANSFER.) VANCE

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